

AUDIT

This Activity is responsible for ensuring tax compliance and the collection of outstanding tax liabilities through the examination of information provided on tax returns and by auditing records at the taxpayer's place of business. This Activity consists of five branches: In-State Field Audit, Out-of-State Field Audit, Audit Services, Office Audit, and Individual Tax Audit.

In-State Field Audit

The In-State Field Audit Branch audits businesses to determine if they have complied with their obligations under New Jersey's tax statutes. The audit examination of the taxpayer's accounting records is comprehensive and covers all taxes administered by the Division. In addition, as part of several interstate exchange agreements, information may be obtained for other taxing jurisdictions during the performance of the audit.

In addition to regular audit activities, the In-State Field Audit Branch continues to pursue its cash audit initiative. This program is designed to strengthen compliance and collection efforts as well as level the playing field for compliant businesses. To help the Division identify the types of cash businesses that need assistance, a special team does pilot audits and helps develop procedures for other cash initiatives.

Out-of-State Field Audit

The Out-of-State Field Audit Branch is responsible for performing field audits for all New Jersey taxes on all taxpayers whose accounting records are maintained outside of the State. Currently the Division has regional offices in Chicago (Illinois) and Anaheim (California), with Field telecommuters based in Atlanta, Stamford, Houston, Dallas, and Tampa.

Audit Services

The Audit Services Branch provides audit, technical, and clerical support for every aspect of the Audit Activity. In addition, the Branch administers the Alcoholic Beverage Tax, Cigarette Tax, Motor Fuels Tax, Petroleum Products Gross Receipts Tax, Public Utility Tax, Sales Tax (refunds), Spill Compensation and Control Tax, and the Wholesale Tobacco Products Tax.

The Audit Selection Group provides other Audit Activity Branches with lists of audit candidates. This group processes data from the Division's internal databases, as well as from outside sources such as the IRS, U.S. Customs,

alcoholic beverage wholesalers, and various other third parties.

The Audit Billing Group provides billing capabilities for both In-State and Out-of-State Field Audit, Office Audit's corporate desk audits, and all miscellaneous taxes administered by the Audit Services Branch. This process includes making the necessary adjustments to the Division's systems to properly reflect taxpayers' accounts, creating bills, corresponding with taxpayers, applying payments, and transferring files for administrative hearings or securing liabilities for future collection.

The Cooperative Interstate Tax Enforcement Group administers the agreement between New Jersey and New York as it relates to Sales and Use Taxes being charged by vendors doing interstate business. This unit is also responsible for the assessment of Use Tax on taxable purchases which are made out of State, and works with the U.S. Customs Service data in assessing Use Tax that is due on imported goods being brought into New Jersey by both businesses and individuals. It also administers the provisions of the Jenkinson Act as it relates to cigarettes being purchased out of State.

The Motor Fuels Group administers the Motor Fuels Tax, Petroleum Products Gross Receipts Tax, and the Spill Compensation and Control Tax. The group is responsible for issuing licenses, determining proper bonding, and issuing refunds. The group conducts office audits, reconciliations of taxpayer accounts, and provides taxpayer services.

The Tobacco and Alcoholic Beverage Tax Group administers the Cigarette Tax, Wholesale Tobacco Products Tax, and the Alcoholic Beverage Tax. The group is responsible for maintaining pricing requirements along with the audit and investigation of any Tobacco Tax related activity.

The Public Utility Tax Unit reviews taxpayer reports, conducts office audits, and maintains taxpayer accounts as they relate to various Energy and Utility taxes.

The Word Processing Unit provides centralized word processing and other clerical support for groups such as Individual Tax Audit, Nexus, and other areas that require assistance with high volume projects.

Office Audit

The primary responsibility of the Office Audit Branch is the audit and refund of Corporation Business Tax. Other taxes audited include the Financial Business Tax, Insurance Premiums Tax, Ocean Marine Tax, Retaliatory Tax, Savings Institution Tax, various Sanitary Landfill Taxes,

Spill Compensation and Control Tax, and the Corporation Income Tax.

The Branch is comprised of nine audit groups. Three groups are assigned general corporate desk audits, and two groups issue tax clearance certificates. The Special Audit Group is responsible for administering the smaller taxes as well as reviewing Internal Revenue audit changes. The Nexus Audit Group has the responsibility to discover and examine out-of-State entities to determine whether they have unreported tax filing and paying obligations. The Corporate Billing Group is responsible for reviewing all deficiencies generated by Corporation Business Tax filings. The Corporate Refund Audit Group is responsible for auditing and approving all Corporation Business Tax refund claims.

Individual Tax Audit

The Individual Tax Audit Branch is comprised of the Gross Income Tax Audit Section, and the Transfer Inheritance and Estate Tax Section.

Gross Income Tax Audit. The Gross Income Tax Audit Section is responsible for auditing Gross Income Tax returns filed with the State of New Jersey. The audits are done using a variety of criteria developed within the Branch, utilizing information from the Internal Revenue Service, neighboring states, and other New Jersey agencies, where applicable. The Section also pursues delinquent resident and nonresident taxpayers separately and in joint projects with other Division branches and the Internal Revenue Service.

Transfer Inheritance and Estate Tax. The Transfer Inheritance and Estate Tax Section is responsible for all phases of the administration of the two taxes, from offering taxpayer services, to auditing, to the issuance of waivers.

TECHNICAL SERVICES

Conference and Appeals

The Conference and Appeals Branch handles taxpayer complaints and protests, and conducts informal administrative hearings.

All incoming protests are evaluated by the Review Section for compliance with the statutory and regulatory provisions for Protests and Appeals. Within the Review Section, the Risk Management Group determines whether the State is at risk relative to the collection of the protested assessment. Taxpayers may be asked either to pay the outstanding assessment, furnish a surety bond, or furnish a letter of credit to stay collection, including the filing of a Certificate of Debt and a "Finding of Responsible Person."

The Conferences Section provides informal administrative hearings. After the hearing process, conferees issue the Division's Final Determinations on assessments, notices of individual responsibility for trust fund taxes, denials of refunds, as well as determinations on nonmonetary issues such as nexus, subjectivity determinations, and the denial of organizations' claims for exempt status.

Final Determinations can be appealed to the Tax Court of New Jersey. The Appeals Section tracks and manages these cases, acting as the Division's liaison with the Deputy Attorney General assigned to defend the Division of Taxation.

Customer Services Branch

Customer Services is responsible for encouraging voluntary compliance by providing taxpayers with the information and assistance they need to meet their New Jersey tax responsibilities. Additionally, the Branch provides assistance to New Jersey residents in applying for and obtaining property tax rebates they may be eligible for. The Customer Services Branch provides assistance through phone services, automated systems, walk-in help, and training and outreach as described below.

- **Customer Service Center** is a state-of-the-art telephone facility which can handle over 10,000 calls a day.
- **NJ TeleFile** is a quick, easy, and convenient way for New Jersey residents to file their income tax returns from a Touch-tone telephone.
- **NJ WebFile** provides taxpayers the means to prepare their income tax returns on a personal computer using the Division's secure Internet site. There is nothing to buy and no filing fees.

- **Automated Tax Information System** offers taxpayers a wide variety of information and assistance from a Touch-tone phone including the Automated Refund Inquiry System, the Homestead Rebate InfoLine, New Jersey TaxTalk, and the Forms Request System.
- **NJ TaxFax** makes State tax forms and other technical information available to fax machine users.
- **Trenton Regional Office**, located in the main lobby of the Taxation Building in Trenton, is a walk-in office for taxpayer assistance.
- **Training & Outreach** presents workshops for the public on a variety of topics, provides speakers on New Jersey tax-related matters, and administers the VITA (Volunteer Income Tax Assistance) and TCE (Tax Counseling for the Elderly) programs.

Information and Publications

The Information and Publications Branch produces informational publications and tax return instructions; responds to taxpayer correspondence; resolves problems relating to the various property tax relief benefit programs administered by the Division; and mails forms, publications, and other Division material to the public.

Publications Unit is responsible for most of the Division's informational publications, including the instructions for individual income tax returns and applications for the property tax relief programs administered by the Division; the quarterly newsletter for tax practitioners, the *New Jersey State Tax News*; the Annual Report of the Division of Taxation; and brochures and notices. This Unit also provides technical tax material for the Division's Web site.

Correspondence Unit responds to most of the general taxpayer correspondence, both conventional and e-mail, that comes to the Division directly or that is referred here for reply.

Property Tax Relief Programs Unit resolves problems related to the State's Homestead Rebate, NJ SAVER Rebate, and Property Tax Reimbursement Programs. The Unit assists New Jersey legislators seeking to resolve constituents' problems, and responds directly to taxpayer correspondence related to these property tax relief programs.

Taxpayer Forms Services Unit mails out forms and publications in response to taxpayers' requests and handles bulk mailing for special projects from various branches of the Division.

Homestead Rebate Eligibility Review Unit is responsible for reviewing the eligibility of selected homestead rebate

applications. The unit makes eligibility determinations based on documentation submitted by selected applicants in response to outreach notices.

Regulatory Services

The Regulatory Services Branch drafts rules, regulations, and notices for publication in the *New Jersey Register* and the *New Jersey State Tax News*. It acts as the Division liaison with the Deputy Attorney General assigned to handle Division of Taxation technical and regulatory issues; and provides administrative and enforcement advice to Division management and staff on all tax laws under the jurisdiction of the Division. Further, it drafts proposed legislation; reviews legislation and prepares comments; provides technical assistance in the implementation of new tax laws; and analyzes, researches, and responds to all taxpayers' inquiries and requests for technical advice or letter rulings.

The Branch is charged with the responsibility of coordinating the processing of all Division rules and notices. The Administrative Practice Officer within the Branch maintains contact with the Office of Administrative Law in order to oversee the promulgation of Division rules and their official publication in the *New Jersey Register*.

Exempt Organization Unit processes and makes determinations on applications for Sales and Use Tax Exempt Organization Certificates.

COMPLIANCE

Special Procedures

The Special Procedures Branch is responsible for the collection of overdue tax liabilities. The specific functions of Special Procedures are as follows:

Attorney General Referrals. Whenever the Division has exhausted its collection remedies without success, the case may be referred to the Office of the Attorney General for additional collection actions. Such actions may include domesticating the Division of Taxation's lien in another state where assets of the debtor may have been located, and/or instituting wage garnishment proceedings.

Bankruptcy. The primary function of the Bankruptcy Section is to collect delinquent taxes from debtors who have filed for protection under Federal or State Insolvency Statutes by submitting Proofs of Claim to the appropriate courts of jurisdiction.

Bulk Sales. The Bulk Sales Section is responsible for examining the tax records of each business which disposes of its assets either by sale, transfer, or assignment, other than in the normal course of business. This area also issues Tax Clearance Certificates for Transfer of Retail Alcoholic Beverage Licenses.

Closing Agreements. This section processes applications for compromise/settlement of tax debts under provisions of the State Tax Uniform Procedure Law.

Judgments. The Judgment Section collects overdue liabilities from taxpayers who neglected or refused to pay taxes and/or file returns. The primary collection instrument is the Certificate of Debt, which is filed with the Clerk of the New Jersey Superior Court. A Certificate of Debt has the same force and effect as a Docketed Judgment adjudicated in any court of law in New Jersey.

Compliance Services

The Compliance Services Branch provides services to the taxpaying public and the Division of Taxation; and works with other State agencies such as the Division of Motor Vehicles, the State Division of Alcoholic Beverage Control (ABC), and the Lottery Commission.

ABC Clearance Section. This section, working with the State ABC, is responsible for issuing Alcoholic Beverage Retail Liquor License Clearance Certificates to license holders prior to their annual license renewal.

Delinquency Section. This section is responsible for issuing delinquency notifications when taxpayers fail to file required tax returns when due, and for securing delinquent returns and payments.

Deferred Payment Section. This section provides a method for taxpayers to repay deficient taxes under formal payment plans, and monitors active payment plans to insure compliance.

Casual Sales Section. This section works with the Division of Motor Vehicles to verify, assess, and collect the appropriate sales tax on purchases of motor vehicles, boats, and aircraft. Out-of-State purchases are also scrutinized.

OSI Liaison. This area is the link to OSI, a private collection agency contracted to collect delinquent and deficient taxes for the Division. They assure that the vendor complies with Division policies and procedures, and act as facilitators between Division and OSI personnel.

This Branch is also responsible for the following programs: **Vendor Set-Off**, a program that intercepts monies due to State vendors for services rendered and applies the payments to deficient and delinquent taxes owed by the vendor; **SOIL**, Set-Off of Individual Liability, a program that withholds income tax refunds and property tax rebates from taxpayers who have tax debts; **FOIL**, Federal Offset of Individual Liabilities, a program that withholds Federal income tax refunds and applies them against State tax liabilities; **Lottery**, a project that verifies to the New Jersey Lottery Commission that prospective lottery agents are current in their taxes; and **CATCH**, Citizens Against Tax Cheats, that handles reports received about those suspected of not paying, reporting, or collecting taxes.

Taxpayer Accounting

The Taxpayer Accounting Branch issues bills for underpayment of tax and penalties and interest, reviews bills and refund or credit requests for accuracy, adjusts accounts to correct errors, and responds to taxpayers' inquiries regarding the status of their accounts.

Taxpayer Accounting is comprised of the Correspondence and Review Sections for personal income tax, a Business Tax Section, and a Support Section. The Branch is also very heavily involved in the Property Tax Reimbursement, NJ SAVER Rebate, and Homestead Rebate Programs; and staffs a Tax Practitioner Hotline for tax practitioners who are unable to resolve client problems through normal channels.

Field Investigations

This Branch is responsible for collections, post-judgment civil enforcement, canvassing, and investigation work. Branch personnel work from seven field offices around the State. Walk-in taxpayer services are available at six of these locations.

Civil Tax Enforcement involves personal contact with businesses and individuals to secure delinquent tax returns and tax underpayments. When necessary, the process involves recording Certificates of Debt (CODs), which are administrative judgments, with the New Jersey Superior Court followed by identifying and locating assets in order to levy, seize, and finally sell those assets at public auction. Taxpayers are encouraged to set up payment plans to avoid the seizure and sale of business and personal assets. Questionable business or financial activity is referred to Audit or to the Office of Criminal Investigations.

Municipal Court Program permits the prosecution of some tax violations, such as chronic failure to file or pay sales tax or income tax, as disorderly persons offenses in Trenton Municipal Court. Restitution is required in addition to payment of court fines and costs. Probation may be ordered instead of jail time.

Canvassing of businesses operating from fixed and transient sites is a major tool to discover vendors who are not registered to do business or are otherwise not in tax compliance. Weekend canvassing and the use of jeopardy assessment authority at flea markets, special events, and art and craft shows have been important enforcement tools used against the underground cash economy.

Special Projects Unit was created to focus on transient out-of-State vendors whose business activities in New Jersey create nexus and trigger a tax obligation. Unit members work with the New Jersey State Police at weigh stations to target out-of-State commercial vehicles and at construction sites to identify out-of-State contractors. The authority to issue an immediate jeopardy assessment is used to gain tax compliance. Failure to satisfy the jeopardy assessment results in immediate seizure of assets and vehicles.

Taxpayer Services is available to the public and to tax practitioners who call or walk into the field offices. Taxpayers can obtain business and income tax forms as well as copies of various tax information publications, receive assistance with tax form preparation and business registration, and get answers to tax questions. Payments for tax liabilities and completed tax forms are also accepted.

PROPERTY ADMINISTRATION

Property Administration consists of two branches, Local Property and Unclaimed Property. The activities of the Local Property Branch concern real and certain personal property, and those of Unclaimed Property pertain to intangible personal property and safe deposit box contents.

Unclaimed Property

The Unclaimed Property Branch is responsible for maintaining records of unclaimed property in the protective custody of the State. Unclaimed property consists of financial assets such as: savings accounts, wage checks, life insurance policies, dividends, stocks and bonds. Property is "unclaimed" when it cannot be paid or delivered to the apparent owner, and there is no communication between the holder and the apparent owner for a specified abandonment period. Any "Holder" of property belonging to another is required to turn that property over to the State Treasurer when it is presumed to be abandoned.

Audit. Audit section conducts compliance audits of major corporate holders of unclaimed property. Corporate entities audited include insurance companies, banks, brokerage firms, mutual funds, retailers, utilities, etc. The State also contracts with two audit firms for out-of-State holders.

Operations. *Holder Reporting Unit* receives reports from holders of unclaimed property that meets the abandonment criteria. The report section works with holders to assure the accuracy of reports and their correct entry into the electronic system. This unit assists holders in complying with unclaimed property laws.

Claims Processing Unit receives all claims for the return of unclaimed property, researches and validates the claims, and processes payments.

Intestate Estates Unit supervises and oversees the administration of intestate (no will, no apparent heir) estates through the court appointment of an administrator. If the search for heirs is unsuccessful, the administrator turns over proceeds to the State, minus estate expenses and statutory fees.

Owner Outreach Unit reunites reported owners with their assets. This is achieved through legal advertisement, Internet listings, attendance at public venues, speaking at professional seminars, and the media. This proactive effort also serves to enforce compliance by creating more awareness of the Unclaimed Property Program.

Safekeeping Unit assures the timely and accurate inventory, processing, and marshalling of unclaimed tangibles found in safekeeping repositories. Owners' contents are returned to their rightful owners or auctioned.

Local Property

Policy and Planning

Correspondence/Exemptions/Deduction Unit reviews and prepares comments on proposed legislation concerning property tax issues; develops procedures for uniform application of senior citizens' and veterans' deductions; handles issues on property tax exemption matters; oversees the administration of the Farmland Assessment Act of 1964; prepares written guidelines and materials on various property tax programs and statutes for use by assessors; and responds to general taxpayer inquiries, correspondence, and legislative referrals regarding property tax matters.

Revaluations/Reassessments/Continuing Education Unit reviews and approves revaluation, reassessment and compliance programs and contracts; certifies the dollar amounts for State reimbursement to local taxing districts for property tax deductions; and administers assessor's continuing education and recertification programs.

County Tax Board Compliance/Assessor Exam/Realty Transfer Fee Unit responds to inquiries on realty transfer fees and monitors the dollar amount collected and refunded; provides assistance and checks compliance for the 21 county boards of taxation; coordinates and administers biannual Tax Assessors' Certification Exams; prepares written guidelines and materials on various property tax programs and statutes for use by county tax board members and administrators.

Local Assessment Compliance

Railroad Property Unit classifies, assesses, and taxes railroad properties; assesses and computes Railroad Franchise Tax; and determines railroad replacement revenues for municipalities in which railroad property is located.

Tax Maps Unit reviews and approves municipal tax maps for conformance to current specifications and as required for municipal revaluations.

Local Assessor Compliance Unit provides assistance to 566 municipal assessors in solving routine and difficult administrative problems and also reviews certain information that pertains to municipal tax assessors. The unit also conducts periodic inspections of tax assessors' offices for compliance with statutory responsibilities, in particular, municipalities that are reimbursed by the State

for granting qualified senior citizens' and veterans' property tax deductions.

Field Assistance

Field Assistance and Appraisal Field Staff investigate SR-1As for sales ratio purposes; gather and verify data for the Table of Equalized Valuations; in cooperation with the Deputy Attorney General assigned to Division of Taxation matters, defend the Table of Equalized Valuations at appeal; perform audits and investigations relating to local property matters; assist the Transfer Inheritance Tax Bureau with appraisals for inheritance tax purposes; and maintain the Real Property Appraisal Manual for New Jersey Assessors. (Special studies and investigations are conducted as required to meet unusual or unique circumstances.)

Sales Ratio oversees the Assessment-Sales Ratio Program and develops the annual Table of Equalized Valuations from the data analyzed. The Table is used in the calculation and distribution of State School Aid, to apportion county and regional school district taxes, and to measure debt limits of local government units. The Table of Equalized Valuations shows the average ratio of assessed to true value of real estate for each municipality in the State.

Technical Support provides assistance to county boards of taxation with electronic transmission of sales data, rules and regulations regarding changes in response to legislative changes affecting equalization, preparation of the county abstract of ratables, county equalization tables; and coordinates transmissions of data with data centers and county tax boards.

Property Administration personnel are members of the County Tax Board and Tax Assessor's Educational Committees and take a leadership role in training, education seminars, and courses which provide procedural information on all aspects of local property administration aimed at improving the performance of county boards and assessors.

TECHNICAL SUPPORT

This Activity provides the Division of Taxation with the technological assistance required to administer the New Jersey State tax laws. These services include the development and management of the Division's tax systems; the design and procurement of all tax forms and applications; the procurement, installation and maintenance of computer hardware and software; the maintenance and updating of the Division's Web site; and the technical training of Division employees.

Additionally, Technical Support has responsibility for telecommunications, including the Wide Area Network (WAN), the fiber optic equipment, and micro-based systems that support applications throughout the Division. Technical Support personnel interact with representatives of other State and Federal agencies as well as outside vendors to provide these services in the most efficient manner possible. The activity is responsible for implementing new technological developments that are consistent with and that enhance the mission of the Division.

The Technical Support Activity is comprised of two branches: Business Tax Systems and MIS Support Branch, and Individual Tax Systems and IT Support Branch.

Business Tax Systems and MIS Support

The responsibilities of this Branch are divided into the following major areas.

Forms is responsible for the design and specifications of New Jersey State tax forms, applications, and many related publications. The analysts work in conjunction with the Division of Revenue to ensure that all of the form requirements are met for the processing of the documents. The analysts coordinate with the Division of Purchase and Property and printing contractors to provide quality products consistent with these requirements. Other duties include attending bidders' conferences, performing site inspections of vendor production facilities, and supervising the production process to ensure quality control.

TULIPS & TAXNET Help Desk. This group possesses expertise in the various tax and data systems designed for use within the Division. It is their responsibility to assist Division personnel on a daily basis in resolving problems they encounter with these systems. They are also responsible for performing table and file maintenance for the various systems, and the management of automated case flow for various collection activities.

Business Tax Systems and Corporation Tax analysts are responsible for maintenance and enhancements of existing

tax systems and the development of new systems. These groups coordinate their efforts with the Office of Information Technology (OIT) in order to ensure that the operational needs of the Division are met. They provide technical assistance to Division personnel and aid in problem resolution with respect to the various systems. These analysts also act as liaisons for the Division with other State, Federal, and local agencies as required.

Individual Tax Systems and IT Support

The responsibilities of this Branch are divided into four major areas:

Individual Tax Systems analysts determine systemic needs and provide data processing support including the development, monitoring, and maintenance of the individual income tax system and the various property tax relief programs. They design all income tax forms and applications for the property tax relief programs.

Web Development and Training. This team develops and maintains the Division's Web and Intranet sites. They are also responsible for designing and conducting internal technical training for desktop software applications and other systems used Division-wide. PowerPoint and other media presentations are created by this unit for use by Division management.

Network and Desktop Support. This unit administers the Division's WAN and is responsible for ensuring the availability of all network devices and services, including the Division's e-mail system and remote access for all field office employees. In addition, they provide desktop hardware and software support by troubleshooting and repairing PCs and related devices.

Application Development. This unit develops and maintains network-based computer applications and systems for Audit, Compliance, and other areas throughout the Division.

CHIEF OF STAFF

The Office of the Chief of Staff is responsible for representing the Division of Taxation throughout State government as well as providing Division-wide support in the area of Management Services. The Office of the Chief of Staff works in conjunction with the Department of Treasury's Fiscal Office, Human Resources, and Department of Personnel to provide internal controls and facilitate requests regarding budgetary needs, and to coordinate personnel matters, including disciplinary and grievance actions concerning Division employees.

Management Services

Management Services is responsible for providing support in the following areas:

Facilities Management. Responsible for providing building maintenance and management services for 13 office locations throughout New Jersey, as well as coordinating maintenance and management services for the Division's out-of-State locations. Facilities Management monitors all construction projects and coordinates physical moves for all Taxation locations. In addition, Facilities Management is responsible for security and providing employees with photo identification badges and building and parking access cards. The Facilities Management - Property & Forms Unit has the responsibility for distribution of forms and supplies to the entire Division, as well as managing and maintaining the Division's surplus property, equipment, and forms inventories.

Mail Services. Responsible for the pickup, sorting, recording, and delivery of mail for the Division, including field offices.

Records Management. Responsible for the Division's records management and storage. Maintains a records placement and tracking system that enables Division personnel to retrieve documents and files quickly and efficiently.

OFFICE OF CRIMINAL INVESTIGATION

The Office of Criminal Investigation is responsible for the investigation of alleged criminal violations of the State tax code. In addition, the responsibility of internal security and internal control assessment falls within the jurisdiction of this area.

The Office of Criminal Investigation (OCI) develops cases that indicate criminal violations and willful intent to evade the tax laws of the State of New Jersey. Based on the findings of the investigation, OCI makes recommendation for criminal prosecution to the State Attorney General's Office, or to the county prosecutor's office. Cases are generated from projects within OCI, referrals from other areas of the Division, participation in joint investigations with prosecutors' offices and other law enforcement agencies, and concerned citizens.

OCI works closely with prosecutors and investigators at all governmental levels. Liaison activities are encouraged, and joint investigations are conducted in cases dealing with economic and financial crimes that have tax compliance consequences. Currently, OCI is actively involved in cooperative efforts with the Federal Bureau of Investigation, the U.S. Attorney's Office, the U.S. Postal Inspection Service, and states within the Northeast Corridor.

Cigarette Tax. Special agents assigned to OCI have the statutory authority to investigate violations of New Jersey's Cigarette Tax laws such as the sale of unstamped cigarettes, smuggling, and counterfeiting.

Motor Fuels Task Force focuses on the willful evasion of Motor Fuels Tax and Petroleum Products Gross Receipts Tax. The Motor Fuels Task Force is comprised of personnel from the Division of Taxation, the New Jersey State Police, and the Division of Criminal Justice.

Criminal Tax Units investigate allegations of criminal tax fraud related to any New Jersey taxing statute other than those mentioned above. Cases are developed and referred for prosecution to the State Attorney General's Office or to a county prosecutor's office.

Internal Security Unit handles sensitive matters, including integrity investigations, background investigations of prospective employees, and assaults and threats made by persons attempting to impede the functions of the Division. The unit also provides training to enable new employees to recognize possible compromising situations.

OFFICE OF REVENUE AND ECONOMIC ANALYSIS

The Office of Revenue and Economic Analysis is responsible for providing revenue estimates of 13 major revenue sources which account for 90% of the State budget. The Office also monitors New Jersey economic conditions, provides revenue analyses of proposed legislation, evaluates tax policy initiatives, and provides research support to the Treasurer's Office.

COUNSEL TO THE DIRECTOR

Disclosure

The Disclosure office performs many administrative duties, including responding to internal and external requests for tax records, and recommending and implementing exchange agreements with other agencies. Some of the agencies Disclosure works with include the Internal Revenue Service, New Jersey State Police, Division of Criminal Justice, Division of Gaming Enforcement, and other states through their Departments of Revenue/Taxation. Through this activity the Division of Taxation, as well as other taxing agencies throughout the United States, have been able to locate and identify tax evaders who cross state lines.

Office of Legislative Analysis

The Office of Legislative Analysis (OLA) is responsible for reviewing all tax bills introduced in the legislature. It evaluates the potential administrative, fiscal, and policy implications of proposals which are scheduled or likely to be scheduled for legislative action; it proposes amendments to insure that a bill can be effectively implemented; prepares bill comments and fiscal notes; and recommends positions to be taken by the State Treasurer. Additionally, OLA monitors legislative activity, keeps track of when bills affecting Division are scheduled for committee or house action, and follows the progress of each bill as it proceeds through the legislature. OLA works closely with the Treasurer's Office and, when a bill is enacted into law, it often initiates and participates in the implementation process.